International Journal of Strategic Management and Economic Studies
(IJSMES)
ISSN: 2791-299X

# Untangling the Link between Political Regime and Economic Growth: Beyond the Authoritarian-Democratic Dichotomy

**Merwan AATANY[1], Essaid TARBALOUTI[1]**

[1]Cadi Ayyad University, FSJES, Marrakesh, Morocco

**Abstract:** Few scholarly inquiries within political economy have proven as persistently contentious as the connection between political regime characteristics and macroeconomic growth trajectories. This paper revisits this contested terrain by subjecting a wide-ranging corpus of theoretical and empirical contributions to critical scrutiny. In doing so, it deliberately sets aside the simplistic binary opposition between authoritarian and democratic rule that has predominantly framed prior scholarship. The analysis initially investigates the specific conduits through which autocratic governance might either foster or constrain economic dynamism, with particular attention to political stability, policy decisiveness, and the latent hazards associated with unconstrained executive authority. The subsequent discussion then shifts focus to the mechanisms linking democratic institutions to economic performance, notably institutional accountability, improvements in human capital, and the transitory adjustment burdens that often accompany political liberalization. By integrating insights from contemporary quasi-experimental research with the established cross-country econometric literature, this study contends that the longevity and institutional robustness of a polity constitute more direct and significant determinants of sustained economic progress than the nominal political label it carries. Consequently, political regime influences growth primarily through indirect pathways, operating via the behavioral incentives that governance structures generate for both state actors and private economic agents. The final section of the paper outlines several pressing unresolved questions that merit further empirical investigation within this ongoing scholarly debate.

**Keywords:** political regime; economic growth; authoritarianism; democracy; institutions

**Digital Object Identifier (DOI):** https://doi.org/**10.5281/zenodo.22143724**

**Published in:** Volume 5 Issue 4

## 1. Introduction

The interplay between authoritarian governance and democratic institutions, and their respective contributions to economic expansion, has sustained a prolonged debate within both economics and political science. This question habitually resurfaces whenever a rapidly growing autocracy is invoked as a counterexample to the proposition that political liberties and material prosperity are inherently correlated. Earlier comparative inquiries conceptualized regime type as a dichotomous variable and investigated whether transitions between these categories systematically altered growth trajectories. That analytical framework has subsequently proved insufficiently nuanced to account for the complex manner in which political institutions interact with economic policy choices (Przeworski & Limongi, 1993).

The literature spawned by this initial endeavor is extensive, yet for a considerable period it remained conspicuously indeterminate. Most covariates incorporated into cross-national growth regressions, including political indicators, exhibit fragility when subjected to minor modifications in econometric specification (Levine & Renelt, 1992). This conclusion was reinforced by a subsequent meta-analytic synthesis, which aggregated 483 estimates extracted from 84 distinct studies and confirmed the absence of any robust consensus regarding a direct positive effect of democracy upon growth rates (Doucouliagos & Ulubaşoğlu, 2008). A meaningful synthesis of this disparate evidence necessitates a tripartite analytical distinction: first, the direct effect of regime classification; second, the indirect conduits through which political orders might operate, notably human capital accumulation, political stability, and institutional quality; and third, the reciprocal possibility that the historical association between affluence and democratization reflects, at least partially, causality running from developmental progress to political liberalization (Lipset, 1959; Burkhart & Lewis-Beck, 1994).

More persuasive identification strategies have appreciably attenuated this empirical uncertainty. Exploiting regional democratization waves across a panel of 175 countries over the period 1960 to 2010, recent work estimates a positive and economically meaningful causal impact of democratic transitions on subsequent per-capita GDP, a finding that earlier cross-sectional approaches were unable to establish with comparable credibility (Acemoglu et al., 2019).

Building upon this cumulative body of knowledge, the present article is organized into four sequential sections. Section 2 investigates the conditions that facilitate, as well as those that constrain, economic advancement within authoritarian settings. Section 3 undertakes an equivalent examination for democratic polities. Section 4 delineates points of convergence and divergence between these two broad regime categories. Section 5 concludes by summarizing the principal arguments and identifying promising avenues for further scholarly exploration.

## 2. From Roving Bandits to Growth Engines ? The Institutional Prerequisites for Autocratic Economic Performance

Within the existing literature examining the economic benefits associated with autocratic governance, two principal lines of argument recur with notable frequency. The initial proposition originates from the behavioural contrast between a transient extractor of resources, who possesses no enduring territorial permanence, and an entrenched ruler who, anticipating a durable hold on power, cultivates a vested interest in the sustained productivity of the national economy (Olson, 1993). Under this framework, a sufficiently insulated autocrat may willingly supply public goods and uphold property rights, mirroring the conduct of an elected administration, precisely because his fiscal revenues remain contingent upon overall economic vitality. Empirical support for this logic is provided by findings that property and contract rights were, on average, no less secure in durable autocracies than in equally durable democracies, with regime longevity emerging as a more powerful predictor of investment security than the nominal regime classification (Clague, Keefer, Knack, & Olson, 1996).

A second argument centres on the velocity of decision making. Autocratic executives, unencumbered by legislative coalition building or recurrent electoral pressures, can in theory implement policy adjustments with greater alacrity, whether initiating large scale infrastructure projects or responding swiftly to exogenous shocks. The resilience of authoritarian governance in the Middle East and North Africa was shown to depend less upon economic outcomes than upon a coercive apparatus capable of immediate action against political challengers, an arrangement that concurrently afforded these states considerable latitude to execute economic policy with limited societal interference (Bellin, 2004). The COVID-19 pandemic provided a further, albeit ambiguous, illustration of this dynamic; centralized and personalized authority enabled some governments to rapidly mobilize resources and enforce compliance, even though the same concentration of power simultaneously impeded the early dissemination of information and the corrective feedback mechanisms characteristic of more open political systems (Ang, 2020).

A more provocative perspective questions whether institutional frameworks, as opposed to policy choices and human capital, actually constitute the binding constraint in early development. While institutional quality is generally found to dominate geography and trade openness in explaining cross country income differentials, it is also observed that poorer nations have historically escaped poverty through sound economic policy often implemented by autocratic rulers, with political institutional improvements occurring only subsequently, suggesting that the causality between good governance and sound policy is not unidirectional (Rodrik, Subramanian, & Trebbi, 2004; Aatany et al. 2025). The capacity to preserve policy continuity carries substantial weight, because instability imposes significant costs; political volatility has been shown to reduce both investment and growth across a diverse sample of nations, implying that any political order, irrespective of its autocratic or democratic nature, that successfully avoids such volatility possesses a notable initial advantage (Alesina, Özler, Roubini, & Swagel, 1996).

The very concentration of executive authority that facilitates decisive intervention simultaneously removes the institutional checks that constrain its discretionary application. In contexts characterized by substantial resource rents and fragile institutional frameworks, incumbents confronting a credible risk of displacement tend to overexploit natural endowments and channel the proceeds toward patronage networks rather than productive capital formation; consequently, resource windfalls can paradoxically intensify the political incentives that undermine developmental progress (Robinson, Torvik, & Verdier, 2006).

This mechanism contributes to an empirical regularity documented in the literature prior to its formal theoretical articulation. Resource abundant economies have been observed to exhibit slower growth trajectories than their resource scarce counterparts across a broad country sample, a counterintuitive outcome given the additional capital inputs that such endowments should theoretically provide (Sachs & Warner, 1995). Subsequent research resolves this anomaly by demonstrating that the growth effect of natural resources is conditional upon prevailing institutional conditions; resource wealth depresses income in settings where institutions are "*grabber friendly*," thereby encouraging rent seeking over productive activities, but enhances income where institutions favor production (Mehlum, Moene, & Torvik, 2006). Given that authoritarian regimes appear disproportionately concentrated among the grabber friendly cases, weak institutions, rather than resource abundance per se, emerge as the primary binding constraint, an interpretation consistent with the mechanisms outlined earlier (Robinson et al., 2006).

Diminished accountability further elevates the expected returns to corrupt practices. A comprehensive cross-country analysis reveals that corruption systematically depresses investment and, through this intermediary channel, retards economic growth, a finding subsequently corroborated in broader assessments of the welfare costs imposed on public service delivery (Mauro, 1995; Svensson, 2005). A significant nuance is introduced by observations that the current degree of democratic participation does not predict corruption levels; rather, it is the cumulative historical exposure to democratic accountability that appears to curtail rent seeking in cross national data, implying that both autocratic regimes and newly established democracies lack the institutional historical depth necessary to restrain extraction (Treisman, 2000). Complementary evidence utilising alternative indicators of contract enforcement and expropriation risk arrives at a congruent conclusion: cross country variations in investment are most accurately predicted by the credibility of property rights protection, rather than the formal political label of the governing regime (Knack & Keefer, 1995)

## 3. Democracy and Economic Performance: Unpacking the Causal Mechanisms, Transitional Frictions, and Institutional Contingencies

The most compelling recent empirical evidence on this subject estimates that a durable transition to democratic governance raises real GDP per capita by approximately 20 percent over the subsequent quarter century, an effect attributable primarily to elevated investment, expanded secondary schooling, enhanced public good provision, and reduced social instability, rather than to any singular institutional attribute (Acemoglu, Naidu, Restrepo, & Robinson, 2019). Employing an alternative identification strategy across an earlier temporal window, a broadly congruent conclusion emerges, with durable democratic transitions being followed by a sustained growth acceleration that becomes discernible roughly five years after the political change takes hold (Papaioannou & Siourounis, 2008).

A complementary body of scholarship contends that the growth relevant attribute is not the mere contemporaneous presence of democratic institutions, but rather the cumulative historical duration of exposure to them. The concept of democratic capital, defined as the accumulated stock of a country's own historical experience and that of its regional neighbors, proves to be a stronger predictor of subsequent growth than the current period democracy score (Persson & Tabellini, 2009). This finding is reinforced by longitudinal analysis covering an extended historical panel, which demonstrates that it is the stock of democratic experience accumulated over decades, rather than the level of democracy in any single year, that exhibits a robust association with economic expansion, thereby explaining why newly established democracies frequently fail to realize the immediate gains that aggregate cross national averages would otherwise predict (Gerring, Bond, Barndt, & Moreno, 2005).

Disaggregating the overall growth effect of democracy into its constituent components reveals that democratic institutions foster economic expansion primarily by expanding educational attainment and mitigating income inequality, even though they may exert a mildly depressive influence on physical capital accumulation; the net growth outcome therefore depends upon which of these opposing channels predominates in a given national context (Tavares & Wacziarg, 2001). Human development indicators point in a similar direction, as democratic systems systematically outperform nondemocratic counterparts on measures of life expectancy and infant mortality when income levels are held constant (Besley & Kudamatsu, 2006). Extending this logic across a panel of 170 countries observed since 1980, cumulative democratic experience is found to predict superior adult health outcomes with a temporal lag approximating one generation (Bollyky et al. 2019). Both sets of results cohere with the proposition that democratic accountability enhances public service delivery in ways that ultimately reinforce human capital accumulation and long run growth. Earlier pooled cross sectional and time series evidence lends further support to this interpretation, as a robust positive association between political democracy and growth is detectable once investment and human capital are adequately controlled for, with a portion of this growth advantage attributed to the comparatively lower corruption levels characteristic of long established democracies (Leblang, 1997; Treisman, 2000).

Notwithstanding these positive attributions, democratic governance carries identifiable economic costs and constraints. The transition period itself is frequently accompanied by a deceleration in growth during the short run, a phenomenon driven by the political and institutional turbulence inherent to the regime change, although no evidence of a permanent negative effect persists once the transition is complete (Rodrik & Wacziarg, 2005). A related, nonlinear pattern has been documented wherein, at lower levels of political rights, expansion is associated with faster growth, yet beyond a moderate threshold further democratization yields limited marginal gains and may even impose a modest growth penalty, a pattern attributed to the increasing difficulty of sustaining decisive reform in the face of competing interest group demands (Barro, 1996).

Other contributions adopt a considerably more skeptical stance regarding any direct growth effect of democracy. The apparent empirical link between democratic institutions and economic expansion weakens substantially, and in certain specifications disappears entirely, once investment and educational levels are introduced as control variables, as these factors absorb a considerable portion of the variance that a crude democracy indicator would otherwise appear to explain (Helliwell, 1994). This finding resonates with broader methodological warnings that cross-national growth regressions are exceptionally sensitive to the selection of conditioning variables (Levine & Renelt, 1992). A comprehensive meta analytic synthesis formalizes this caution by concluding that, across the published literature as a whole, democracy exerts no robust direct effect on growth, although it does exhibit a consistent, positive, indirect influence operating through higher human capital, lower inflation, greater political stability, and enhanced economic freedom (Doucouliagos & Ulubaşoğlu, 2008).

An additional limiting mechanism operates through the political economy of redistribution. In contexts characterized by high income inequality, the median voter within a democratic polity possesses a clear incentive to support elevated taxation on capital, a dynamic that can decelerate capital accumulation and reduce growth relative to a counterfactual scenario with less redistributive pressure (Alesina & Rodrik, 1994). A more differentiated picture emerges from recursive partitioning analyses, which indicate that democratizing nations do subsequently grow faster than otherwise comparable countries that do not, and nations that regress away from democracy grow more slowly. However, the same analytical approach reveals that democracy constitutes only one marker among several, alongside initial income levels and literacy rates, that sort countries into distinct growth regimes, implying that a single average effect estimate can obscure considerable underlying heterogeneity across national experiences (Minier, 1998).

## 4. Convergence and Divergence in Authoritarian and Democratic Governance: Institutional Foundations, Political Survival, and Long Run Development

Despite their pronounced institutional dissimilarities, authoritarian and democratic governments confront an essentially identical existential challenge, namely the imperative of political survival. Both must construct and maintain some coalition of support to retain office. This shared underlying logic is captured by empirical findings indicating that regime durability exerts a stronger influence on the security of property rights than does the nominal regime classification (Clague, Keefer, Knack, & Olson, 1996). What effectively constrains a ruler, whether elected or appointed, is the credibility of the threat that policy failure will precipitate his removal from power. Both regime types can in principle generate such credibility, albeit through markedly different institutional pathways: electoral mechanisms in the democratic case, and elite coalitions or coercive capacity in the authoritarian case.

Both political orders also remain vulnerable to the same fundamental threat, namely political instability. The growth effect of democratic institutions operates largely through an indirect channel, being mediated by the greater political stability that durable democratic arrangements tend to produce (Feng, 1997). Instability consistently depresses investment and growth irrespective of whether the government in question is elected or appointed (Alesina et al. 1996). Read together, these findings point toward a conclusion that transcends the simple binary classification of regimes: the more fundamental determinant of economic expansion is not the political label itself, but rather the durability and predictability of whichever institutional order is in place, a principle that applies with equal force to a stable autocracy and a consolidated democracy.

Turning to points of divergence, the institutional routes to political survival differ starkly, and this difference is substantive rather than merely rhetorical. The conceptual distinction between inclusive and extractive institutions captures much of this variation (Acemoglu & Robinson, 2012). Where political power is broadly distributed and constrained by effective checks and balances, as is characteristic of most democratic systems, rulers possess a narrower scope for expropriation and face stronger incentives to protect the property rights of a wide cross section of society. Where power is concentrated, as is typical of authoritarian regimes, those same incentives extend only to the ruling coalition, and policy toward actors outside that coalition is correspondingly less secure. This divergence in the breadth of the constituency whose interests are effectively represented, corresponding to what has been termed the encompassing versus the narrow interest of the ruler, arguably constitutes the deepest institutional dividing line between the two regime types, more fundamental than any specific policy difference concerning trade openness, taxation, or the size of the state (Olson, 1993).

This institutional divergence possesses deep historical roots that extend far beyond contemporary political arrangements. The type of institutional framework established by European colonizers, extractive where they themselves could not safely settle and inclusive where they could, has exhibited remarkable persistence over centuries and continues to predict contemporary variations in property rights security and income levels (Acemoglu, Johnson, & Robinson, 2001). An important qualification to this historical interpretation emerges when country fixed effects are employed to absorb these long run divergent trajectories; under such specifications, the contemporaneous statistical association between income and democracy weakens considerably, implying that regime type and prosperity are, to a significant extent, joint products of a much older institutional history rather than constituting a simple causal relationship running from the ballot box to the balance sheet (Acemoglu, Johnson, Robinson, & Yared, 2008).

Complementary empirical contributions reinforce these institutions first reading from multiple analytical angles. Institutional quality ranks above both geography and trade integration as a source of cross-country income differentials (Rodrik, Subramanian, & Trebbi, 2004). Direct measures of contract enforcement and expropriation risk, assessed independently of regime classification, consistently predict cross national variations in investment (Knack & Keefer, 1995). The broader theoretical account of institutions as the formal and informal rules of the game that structure political and economic exchange provides the conceptual framework within which both sets of findings acquire their full meaning (North, 1990). What a regime label captures only imperfectly, a direct measure of institutional quality captures with considerably greater precision.

## 5. Conclusion

When considered collectively, the contemporary empirical literature has largely moved beyond framing this inquiry as a simple comparison between two immutable political categories. The most credible evidence, particularly the panel estimates from one prominent study and the corroborating identification strategy from another, points toward a positive average causal effect of democratization on growth, an effect transmitted principally through investment, educational attainment, public good provision, and the accumulated democratic capital documented elsewhere (Acemoglu et al. 2019; Papaioannou & Siourounis, 2008; Persson & Tabellini, 2009; Gerring, Bond, Barndt, & Moreno, 2005). Concurrently, the mechanisms identified by scholars of political economy, alongside the resource curse evidence, demonstrate that the true protector of growth is the credibility of constraints upon executive authority (Olson, 1993; Clague et al. 1996; Mauro, 1995; Robinson et al. 2006; Sachs & Warner, 1995; Mehlum et al. 2006). These constraints may originate either from electoral competition or from the extended time horizon of a secure autocrat, yet resource rents and diminished accountability can erode growth prospects under either political order.

Nevertheless, considerable caution is warranted before interpreting these findings as constituting a straightforward regime effect. The meta analytic consensus, combined with earlier sensitivity analyses, indicates that much of the raw cross-national correlation between democracy and growth fails to withstand the inclusion of investment and human capital as conditioning variables (Doucouliagos & Ulubaşoğlu, 2008; Levine & Renelt, 1992; Helliwell, 1994). This interpretative challenge is compounded by the reverse causality proposition, which traces back to an early contribution and has received subsequent empirical confirmation, together with fixed effects results implying that a portion of the historical association between prosperity and democracy reflects development driving political liberalisation as much as the converse (Lipset, 1959; Burkhart & Lewis-Beck, 1994; Acemoglu, Johnson et al. 2008). Additional qualifications concerning transitional dynamics and nonlinearities imply that a genuine positive long run effect of democratic institutions can coexist with real adjustment costs that manifest in the short run and with diminishing or even negative returns beyond a moderate threshold, distinctions that aggregated cross sectional comparisons frequently obscure (Rodrik & Wacziarg, 2005; Barro, 1996).

Looking ahead to future scholarly inquiry, three avenues appear particularly promising. The first entails improved within country identification of the precise timing of institutional changes, following the empirical strategies developed in recent panel work (Acemoglu et al., 2019; Papaioannou & Siourounis, 2008). The second involves closer scrutiny of the interactions among resource endowments, institutional quality, and political regime classification, building upon the theoretical and empirical frameworks established in the literature on rent seeking and institutional conditionality (Robinson et al., 2006; Mehlum et al., 2006). The third calls for more systematic investigation of transition dynamics and the accumulation of democratic capital over extended periods, so that the short run costs documented in certain studies and the long run gains attributed to democratisation and to cumulative democratic experience can be properly disentangled (Rodrik & Wacziarg, 2005; Persson & Tabellini, 2009). None of these considerations displaces the regime question itself, but they collectively suggest that the more productive framing is no longer which regime grows faster, but rather which institutional constraints, accumulated over what duration and under which political order, render economic growth genuinely durable.

## References

[1] Aatany, M., Tarbalouti, E., Alaamri, N., & El Aidi, A. (2025, November). Economic Growth in Times of Drought: The Pivotal Role of Political Institutions. In International Conference on Multidisciplinary Research in Management and Economics (ICMRME 2025) (pp. 607-627). Atlantis Press.

[2] Acemoglu, D., & Robinson, J. A. (2012). Why nations fail: The origins of power, prosperity, and poverty. Crown Publishers.

[3] Acemoglu, D., Johnson, S., & Robinson, J. A. (2001). The colonial origins of comparative development: An empirical investigation. American Economic Review, 91(5), 1369-1401.

[4] Acemoglu, D., Johnson, S., Robinson, J. A., & Yared, P. (2008). Income and democracy. American Economic Review, 98(3), 808-842.

[5] Acemoglu, D., Naidu, S., Restrepo, P., & Robinson, J. A. (2019). Democracy does cause growth. Journal of Political Economy, 127(1), 47-100.

[6] Alesina, A., & Rodrik, D. (1994). Distributive politics and economic growth. Quarterly Journal of Economics, 109(2), 465-490.

[7] Alesina, A., Özler, S., Roubini, N., & Swagel, P. (1996). Political instability and economic growth. Journal of Economic Growth, 1(2), 189-211.

[8] Ang, Y. Y. (2020). When COVID-19 meets centralized, personalized power. Nature Human Behaviour, 4, 445-447.

[9] Barro, R. J. (1996). Democracy and growth. Journal of Economic Growth, 1(1), 1-27.

[10] Bellin, E. (2004). The robustness of authoritarianism in the Middle East: Exceptionalism in comparative perspective. Comparative politics, 139-157.

[11] Besley, T., & Kudamatsu, M. (2006). Health and democracy. American Economic Review, 96(2), 313-318.

[12] Bollyky, T. J., Templin, T., Cohen, M., Schoder, D., Dieleman, J. L., & Wigley, S. (2019). The relationships between democratic experience, adult health, and cause-specific mortality in 170 countries between 1980 and 2016: An observational analysis. The Lancet, 393(10181), 1628-1640.

[13] Burkhart, R. E., & Lewis-Beck, M. S. (1994). Comparative democracy: The economic development thesis. American Political Science Review, 88(4), 903-910.

[14] Clague, C., Keefer, P., Knack, S., & Olson, M. (1996). Property and contract rights in autocracies and democracies. *Journal of economic growth*, *1*(2), 243-276.

[15] Doucouliagos, H., & Ulubaşoğlu, M. A. (2008). Democracy and economic growth: A meta-analysis. American Journal of Political Science, 52(1), 61-83.

[16] Feng, Y. (1997). Democracy, political stability and economic growth. British Journal of Political Science, 27(3), 391-418.

[17] Gerring, J., Bond, P., Barndt, W. T., & Moreno, C. (2005). Democracy and growth: A historical perspective. World Politics, 57(3), 323-364.

[18] Helliwell, J. F. (1994). Empirical linkages between democracy and economic growth. British Journal of Political Science, 24(2), 225-248.

[19] Kaufmann, D., Kraay, A., & Mastruzzi, M. (2010). The Worldwide Governance Indicators: A summary of methodology, data and analytical issues (World Bank Policy Research Working Paper No. 5430).

[20] Knack, S., & Keefer, P. (1995). Institutions and economic performance: Cross-country tests using alternative institutional measures. Economics and Politics, 7(3), 207-227.

[21] Leblang, D. A. (1997). Political democracy and economic growth: Pooled cross-sectional and time-series evidence. British Journal of Political Science, 27(4), 453-472.

[22] Levine, R., & Renelt, D. (1992). A sensitivity analysis of cross-country growth regressions. American Economic Review, 82(4), 942-963.

[23] Lipset, S. M. (1959). Some social requisites of democracy: Economic development and political legitimacy. American Political Science Review, 53(1), 69-105.

[24] Mauro, P. (1995). Corruption and growth. Quarterly Journal of Economics, 110(3), 681-712.

[25] Mehlum, H., Moene, K., & Torvik, R. (2006). Institutions and the resource curse. Economic Journal, 116(508), 1-20.

[26] Minier, J. A. (1998). Democracy and growth: Alternative approaches. Journal of Economic Growth, 3(3), 241-266.

[27] North, D. C. (1990). Institutions, institutional change and economic performance. Cambridge University Press.

[28] Olson, M. (1993). Dictatorship, democracy, and development. American Political Science Review, 87(3), 567-576.

[29] Papaioannou, E., & Siourounis, G. (2008). Democratisation and growth. Economic Journal, 118(532), 1520-1551.

[30] Persson, T., & Tabellini, G. (2009). Democratic capital: The nexus of political and economic change. American Economic Journal: Macroeconomics, 1(2), 88-126.

[31] Przeworski, A., & Limongi, F. (1993). Political regimes and economic growth. *Journal of economic perspectives*, *7*(3), 51-69.

[32] Przeworski, A. (2000). *Democracy and development: Political institutions and well-being in the world, 1950-1990* (No. 3). Cambridge University Press.

[33] Robinson, J. A., Torvik, R., & Verdier, T. (2006). Political foundations of the resource curse. Journal of Development Economics, 79(2), 447-468.

[34] Rodrik, D., & Wacziarg, R. (2005). Do democratic transitions produce bad economic outcomes? American Economic Review, 95(2), 50-55.

[35] Rodrik, D., Subramanian, A., & Trebbi, F. (2004). Institutions rule: The primacy of institutions over geography and integration in economic development. Journal of Economic Growth, 9(2), 131-165.

[36] Sachs, J. D., & Warner, A. M. (2001). The curse of natural resources. *European economic review*, *45*(4-6), 827-838.

[37] Svensson, J. (2005). Eight questions about corruption. Journal of Economic Perspectives, 19(3), 19-42.

[38] Tavares, J., & Wacziarg, R. (2001). How democracy affects growth. European Economic Review, 45(8), 1341-1378.

[39] Treisman, D. (2000). The causes of corruption: A cross-national study. Journal of Public Economics, 76(3), 399-457.